

## Message Text

UNCLASSIFIED

PAGE 01 SINGAP 02603 161027Z

17

ACTION EA-10

INFO OCT-01 ISO-00 /011 W

----- 053612

P 1600824Z JUN 75V

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC PRIORITY 2831

UNCLAS SINGAPORE 2603

E.O. 11652: N/A

TAGS: AFSP

SUBJ: SEVERANCE PAY

REF: STATE 136570

1. SEVERANCE PLANS POUCHED.

2. SUMMARY OF ACCOMPANYING OM DATED 6/16/75 IS AS FOLLOWS:

A. PLANS OBTAINED AND REVIEWED. THERE ARE COMPANIES IN SINGAPORE WHO PAY A GRATUITY, CALLED BY VARIOUS NAMES, TO RETIRING EMPLOYEES WHO ALSO DRAW LUMP SUM CPF PAYMENT. HOWEVER, DEFINITE TREND DOES EXIST TO TERMINATE DUAL PAYMENT AS CPF INCREASES.

B. FOROFF HAS EMBASSY PLAN FOR CPF PARTICIPATION AND REPORTS THEY ACTIVELY WORKING FOR APPROVAL. EMBASSY NEWEST TARGET DATE IS AUGUST 1, 1975.

C. EMBASSY PROPOSES TO CONTINUE IN PRESENT PLANS UNTIL BECOMING MEMBER OF CPF, AT WHICH TIME PLANS WOULD BE REVISED. REVISION WOULD EXCLUDE ONLY THOSE ELECTING TRANSFER TO CPF FROM RECEIVING SEVERANCE PAY ON RETIREMENT OR RESIGNATION (COPY OF PROPOSED PLAN FORWARDED).

D. YOU WILL NOTE THAT FIGURES SUBMITTED IN REPORT ON LUMP SUM PAYMENT FOR CPF PARTICIPANTS ARE VERY CONSIDERABLY HIGHER THAN FIGURES FOR CSR ANNUITANTS. THIS CAN LEAD TO NO OTHER CONCLUSION BUT THAT WE MUST CONTINUE TO PAY SEVERANCE PAY TO EMPLOYEES OF LONG STANDING WHO ELECT TO REMAIN UNDER

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PAGE 02 SINGAP 02603 161027Z

CSR AS THEY WILL BE RECEIVING CONSIDERABLY LESS. FYI,  
THOSE RECEIVING LUMP SUM CPF PAYMENTS CAN INVEST IT AND  
RECEIVE AS MUCH AS DOUBLE THE AMOUNT OF ANNUAL CSR BENEFITS  
AND NEVER TOUCH THE CAPITAL.

3. EMBASSY ALSO MOST ANXIOUS TO RESOLVE QUESTION OF SEVERANCE  
PAY BUT CANNOT STRESS TO STRONGLY THE ADVERSE EFFECT ON OUR  
SINGAPOREAN NATIONAL EMPLOYEES IF ANY DECISION MADE WITHOUT  
TAKING INTO CONSIDERATION ALL FACETS OF PROBLEM. NATIONALS  
BELIEVE MR. HARRISON "REVERSED AND CONTRADICTED HIS CATEGORICAL  
ASSURANCES THAT THERE WOULD BE NO CHANGES MADE IN THEIR FRINGE  
BENEFITS AS A RESULT OF HIS SURVEY".

4. EMBASSY URGES DEPARTMENT'S APPROVAL OF PROPOSED PLAN.  
GRANT

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a  
\*\*\* Current Classification \*\*\* UNCLASSIFIED  
@@@OASYS@@@<CONCATENATED>

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Review Authority:** greeneet  
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**Review Content Flags:**  
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**Review Release Event:** n/a  
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**TAGS:** AFSP, SN  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006